GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5344
ANSWERED ON:29.04.2005
TENURE OF CMDS IN LIC
Sidhu Shri Navjot Singh

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to ensure fixed five-year tenure for CMDs of public sector banks and Chairman of Life Insurance Corporation; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) and (b) Clause 8(1) of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970/1980 provides that whole time director including Managing Director shall hold office for such term not exceeding the five years as the Centra! Government may, after consultation with Reserve Bank of India, may specify and shall be eligible for re-appointment. As regards tenure of Chairman of Life Insurance Corporation, there is no proposal to fix five-year tenure for Chairman Life Insurance Corporation.